



faith . discipline . patience

skv three things



If you have not asked me outright yet in the last few months, good change you are thinking about it so let me answer it now. Yes, the Fed may overtighten, putting the economy into recession. That is a definite possibility. Our position has been, and continues to be: **so be it**. If an economic slowdown over a few calendar quarters is what it takes to stamp out inflation, it would be worth it. No, nothing changes in regards to SKV investment policy, our discipline, our long-term optimism—nothing ever changes. As you know, we do not react to current events, no matter how distressing they may be. Look, we have had 30 months of chaos---pandemic and all its variants, the election that would not end, supply chain issues, roaring inflation, war in Europe and so on---these events and others may have left you feeling a bit ...fatigued....by it all. Careful. This is when the impulse to capitulate can be its strongest. Hang in there. Call me anytime. ***This too shall pass.***

S&P 500 valuation measures

GTM U.S. 5

S&P 500 Index: Forward P/E ratio



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Remember as the market tumbles, the value of stocks is rising, **risk is declining**. Many get that twisted, feeling a declining market increases risk. This is a fundamental misunderstanding—a core, very human misconception. Falling prices means you can get some of the greatest companies in all the land cheaper than before. One common measure of “value” is the “P/E”, or Price/Earnings ratio. JP Morgan calculates the “P/E” for the S&P 500 companies in aggregate is between 15-16. This is historically lower than average, and much lower than it was just months ago when it was well over +20. Generally, the lower the P/E the better. Said another way, right now you can buy more earnings for a lower price. We all love a sale when buying “stuff”, yet “stocks on sale” make us nervous.....*hmmmm*....worth challenging that logic a bit. Remember, successful investing is often **counterintuitive**.



This month former president Jimmy Carter and wife Rosalynn celebrate their 76th wedding anniversary. He is 97, she is 94. *“We give each other plenty of space. She has a lot of interests that I don’t share, and I have a lot of interests that she doesn’t share,”* explained Jimmy Carter. *“Each person should have some space.”* Also, they ascribe to the rule never go to bed angry. *“We have a lot of arguments. We have 21 grandchildren and four children so we have a lot of arguments about our family,”* admitted the former president. *“It’s hard to live until your 97, but having a supportive spouse helps.”* By the way....cringey segue here, but...remember, I hold a **CDFA™** credential, Certified Divorce Financial Analyst. (brains and beauty, I know right!) If anyone in your family is going thru this often difficult transition—don’t hesitate to ask for my help. I have the knowledge, real-life experience, and empathy to likely be of some assistance. (The use of the CDFA™ designation does not permit Wells Fargo Advisors or its Financial Advisors to provide legal advice, nor is it meant to imply that the firm or its associates are acting as experts in this field.)



Many of you reading this are in long-time relationships. For those of you enjoying long-term bliss, please send me a tip or two as to why you think it works. I will send you a thank you gift 😊

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the



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land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***

FAITH

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